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FM AMEMBASSY ISLAMABAD
TO RUEHC/SECSTATE WASHDC 9075
INFO RUEATRS/DEPT OF TREASURY WASHINGTON DC
RUCPDO/DEPT OF COMMERCE WASHINGTON DC
RUEATRS/DEPT OF TREASURY WASHINGTON DC
RHEHNSC/NSC WASHINGTON DC
RUEAIIA/CIA WASHINGTON DC
RUEKJCS/SECDEF WASHINGTON DC
RHMFISS/CDR USCENTCOM MACDILL AFB FL
RUMICEA/USCENTCOM INTEL CEN MACDILL AFB FL
RHWSMRC/USCINCCENT MACDILL AFB FL
RUEHRC/DEPT OF AGRICULTURE WASHINGTON DC
RUEHNE/AMEMBASSY NEW DELHI 3831
RUEHLO/AMEMBASSY LONDON 8784
RUEHML/AMEMBASSY MANILA 3014
RUEHKP/AMCONSUL KARACHI 0395
RUEHLH/AMCONSUL LAHORE 6137
RUEHPW/AMCONSUL PESHAWAR 4963

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SENSITIVE
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SUBJECT: SEPTEMBER 20 MARRIOTT BOMBING: EFFECT ON LOCAL BUSINESS

¶1. (SBU) Summary: The Marriott hotel bombing on September 20 caused significant damage to an office building directly adjacent to the hotel, which contained primarily information technology (IT) companies, including local offices of some large American and multinational corporations. Other businesses in a nearby commercial area were also affected. The affected businesses have adapted quickly, moving their workers to other offices or alternate locations. The Pakistani business community is once again demonstrating its resilience, but many business people privately worry that this latest terrorist incident will further deter foreign investment and sales. End summary.

¶2. (SBU) The Evacuee Trust Complex (ETC), also known as Software Technology Park 2, directly adjacent to the Marriott hotel, houses a large number of international and domestic information technology (IT) firms as well as offices of the Pakistan Software Export Board (PSEB) and the Ministry of IT (MOIT). Overall, the building housed approximately 3000 workers and over 45 businesses. In the September 20 suicide bombing at the Marriott Hotel, the ETC also sustained a large amount of damage, including broken windows, fallen ceiling tiles, damaged data cables and electrical wiring and damaged air conditioning systems. Seven people were killed, including three from private Pakistani companies and four building security personnel. According to Managing Director of the PSEB Talib Baloch, the building is structurally sound and in his personal opinion could be refurbished for occupation within a month. Opinions vary, however, on how quickly refurbishment will happen. Microsoft's Public Sector Lead Malik Imran Ijaz thought it might take three months, and Cisco's Country General Manager Aamir Matin thought it would take at least a year due to the bureaucracy that would be involved in getting the work approved.

¶3. (U) American companies affected by the ETC damage include Microsoft, Cisco, Motorola, Kestral (the local representative of Lockheed Martin), AES and LMK Resources (founded by a Pakistani-American with headquarters in Houston, TX). Oracle suffered some damage but was not incapacitated. Cisco and LMKR's offices were rendered completely unusable due to blast damage and are unusable until the building is refurbished. AES is located near by and suffered minor structural damage. Microsoft's offices were on the far side of the building from the Marriott and suffered less damage, but because of damage to voice and data lines, air conditioning, electricity and water, those offices are also unusable for the time being.

14. (U) In the wake of the damage, the companies have had to find alternate workspaces for their employees. Several companies had other offices in Islamabad or Rawalpindi and others are now searching for new spaces. In some cases, such as Cisco or Microsoft, employees have full capacity to work from home. The two government agencies, PSEB and MOIT, also have office space elsewhere in Islamabad that they will use in the short term to house displaced workers.

15. (SBU) Other businesses in Islamabad were also affected by the blast. Telenor and Mobilink, two of the largest cellular operators in Pakistan maintained telecommunications equipment on the roof of the Marriott and have lost some level of network connectivity. Mobilink's Chief Financial Officer was also killed in the blast. Many businesses in the Supermarket commercial area in Islamabad's sector F-6, less than a mile from the Marriott, also suffered numerous broken windows and doors.

16. (SBU) Comment: While it is too early to put a value in hard currency on the bomb damage, for those businesses housed in the ETC or in buildings near the Marriott, the financial impact will not be negligible. Nonetheless, local Pakistani business people are once again showing how resilient they are in the face of adversity. Most of the ETC resident companies had excellent back-up and disaster recovery plans. Data losses - one of an IT company's most critical commercial assets - were minimal. They have also displayed creativity and efficiency in moving their operations to alternate locations. Representatives of some companies have expressed frustration to EconOffs over the security situation saying it scares off investment and impedes cooperation with American or European

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colleagues who are increasingly afraid of traveling to Pakistan but they insist that will continue to operate here and see enormous potential in the market if the security situation can improve. End comment.

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